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**STATE OF DELAWARE
REAL ESTATE COMMISSION**

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PUBLIC MEETING MINUTES:	REAL ESTATE COMMISSION SUBCOMMITTEE ON AUCTIONEERS
MEETING DATE AND TIME:	Thursday, May 8, 2014 at 10:00 a.m.
PLACE:	861 Silver Lake Boulevard, Dover, Delaware Conference Room A , Second floor of the Cannon Building
MINUTES APPROVED:	June 12, 2014

MEMBERS PRESENT

Michael Harrington
Christopher J. Whitfield
Rick Allamong
Andy Staton

DIVISION STAFF/ DEPUTY ATTORNEY GENERAL

Eileen Kelly, Deputy Attorney General
Sandra Wagner, Administrative Specialist III

ALSO PRESENT

Andy Taylor, Esq.

CALL TO ORDER

Mr. Harrington called the meeting to order at 11:30 a.m.

REVIEW AND APPROVAL OF MINUTES

The Subcommittee reviewed the minutes from the November 2013 meeting. A motion was made by Mr. Allamong, seconded by Mr. Staton, to approve the minutes. By unanimous vote, the motion carried.

NEW BUSINESS

Discussion: Auctioneers and HB 285

Mr. Whitfield discussed that at the last Real Estate Commission meeting on May 8, 2014 he had handed out copies of an Auctioneer agreement which he wanted to address in subcommittee. The first line in the agreement states "Exclusive Right to Sell, by auction or other means" which indicates activities which would require a real estate license. The agreement also states that the auctioneer would be able to sell the property in any manner 90 days prior and 90 after the auction, and that collaborating brokers would receive a commission which would be a percentage of the sale. The Real Estate Commission's statute states that Brokers will work for sellers, not auctioneers. Mr. Whitfield went on to say that the Commission's statute prohibits payment to people that are not licensed. If HB 285 passes or not, the Commission should still address these issues.

A member of the public responded that the agreement discussed was not a typical agreement that an auctioneer would use. There was discussion that using a CIS in the context of an auction would be a good idea. The Delaware Association of Auctioneers (DAA) has talked about coming up with standard agreements that all DE Auctioneers would need to use.

Mr. Whitfield stated that review of the Commission's law shows that the exemption for auctioneers includes the business of crying of real property for a profit. The exemption is limited to the day of sale. There was a discussion about payment of fees. By statute, Real Estate licensees cannot accept payment unless the payment comes from a brokerage. In addition, a Real Estate agent would not be able to pay an auctioneer because the auctioneer does not hold a real estate license. There was discussion that the rules need to be updated to clarify how the payment is made. Rules should also redefine the exemption with respect to whether crying of the sale is the day of the sale.

Mr. Whitfield said he would work on draft regulations for the next meeting. Mr. Allamong stated that he would work on the idea that "once a licensee always a licensee" and CIS forms. Mr. Whitfield will also work on crying of sales and fees. Mr. Staton will work on advertising and exemptions.

Mr. Whitfield also asked about development of a Seller's disclosure form for auctions.

OLD BUSINESS

OTHER BUSINESS BEFORE THE SUBCOMMITTEE (for discussion only)

There was no other business before the Subcommittee.

PUBLIC COMMENT

NEXT SCHEDULED MEETING

Next meeting – June 12, 2014

ADJOURNMENT

Mr. Staton made a motion, seconded by Mr. Whitfield to adjourn the meeting. The motion passed unanimously. The meeting adjourned at 12:20 p.m.

Respectfully submitted,



Sandra Wagner
Administrative Specialist III

The notes of this meeting are not intended to be a verbatim record of the topics that were presented or discussed. They are for the use of the Board members and the public in supplementing their personal notes and recall for presentations.